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Ronald Kelley

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

JOSHUA FIGULI, DAVID FIGULI,  
EDUCATION EQUITIES FUND, LLC,  
and HUSSIAN COLLEGE, INC.,

Plaintiffs,

v.

JEREMIAH STAROPOLI, ADRIENNE  
SCOTT, STEVEN WOJSLAW, ERIC  
HELLER, RONALD KELLEY,  
VELOCITY CAPITAL GROUP, LLC, and  
SUMMIT CAPITAL FUNDING, LLC,

Defendants.

Civil Action No. 24-cv-05408

Hon. Kelley Brisbon Hodge, U.S.D.J.

**DEFENDANT RONALD KELLEY'S  
ANSWER TO COMPLAINT, AFFIRMATIVE  
DEFENSES, CROSSCLAIMS AND JURY  
DEMAND**

Defendant, Ronald Kelley ("Mr. Kelley" or "the answering defendant"), by and through his undersigned counsel, Bressler, Amery & Ross, P.C., and by way of Answer to the Complaint of plaintiffs, Joshua Figuli, David Figuli, Education Equities Fund, LLC, and Hussian College Inc., says:

**INTRODUCTION<sup>1</sup>**

<sup>1</sup> The paragraphs contained in the Introduction of the Complaint are not numbered, the allegations contained therein purport to characterize and summarize the Complaint and, therefore, no response is required. To the extent a response is required, Mr. Kelley denies knowledge or information

## **PARTIES**

1. Answering the allegations of paragraph 1 of the Complaint, Mr. Kelley admits upon information and belief that plaintiff Hussian College, Inc. is a Pennsylvania corporation.

2. Answering the allegations of paragraph 2 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

3. Answering the allegations of paragraph 3 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

4. Answering the allegations of paragraph 4 of the Complaint, Mr. Kelley admits upon information and belief that plaintiff Education Equities Funds, LLC (“EDEQ”) is a Delaware limited liability company with a principal place of business in Colorado. Therefore, except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto.

5. Answering the allegations of paragraph 5 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. Except as expressly answered herein, the allegations of this paragraph are denied insofar as they allege or imply any wrongdoing or liability on behalf of Mr. Kelley.

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sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of these paragraphs are denied insofar as they allege or imply any wrongdoing or liability on behalf of Mr. Kelley.

6. Answering the allegations of paragraph 6 of the Complaint, Mr. Kelley admits, upon information and belief, that plaintiff Joshua Figuli is an individual residing in Denver, Colorado.

7. Answering the allegations of paragraph 7 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

8. Answering the allegations of paragraph 8 of the Complaint, Mr. Kelley admits, upon information and belief, that plaintiff David Figuli is an individual residing in Evergreen, Colorado.

9. Answering the allegations of paragraph 9 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

10. Answering the allegations of paragraph 10 of the Complaint, Mr. Kelley admits, upon information and belief, that defendant Jeremiah Staropoli (“Mr. Staropoli”) is an individual residing in Wilmington, Delaware.

11. Answering the allegations of paragraph 11 of the Complaint, Mr. Kelley admits that Mr. Staropoli formerly served as President and Chief Executive of Hussian College during the time that Mr. Kelley was employed at Hussian College.

12. Answering the allegations of paragraph 12 of the Complaint, Mr. Kelley admits, upon information and belief, that defendant Adrienne Scott (“Ms. Scott”) is an individual residing in York, Pennsylvania.

13. Answering the allegations of paragraph 13 of the Complaint, Mr. Kelley admits upon information and belief that Ms. Scott formerly served as Chief Operating Officer of Hussian

College during the time that Mr. Kelley was employed at Hussian College. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto.

14. Answering the allegations of paragraph 14 of the Complaint, Mr. Kelley admits, upon information and belief, that defendant Steven Wojslaw (“Mr. Wojslaw”) is an individual residing in Westchester, Pennsylvania.

15. Answering the allegations of paragraph 15 of the Complaint, Mr. Kelley admits upon information and belief that Mr. Wojslaw formerly served as Vice President of Financial Operations and Chief Financial Officer of Hussian College during the time that Mr. Kelley was employed at Hussian College. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto.

16. Answering the allegations of paragraph 16 of the Complaint, Mr. Kelley admits, upon information and belief, that defendant Eric Heller (“Mr. Heller”) is an individual residing in Chalfont, Pennsylvania.

17. Answering the allegations of paragraph 17 of the Complaint, Mr. Kelley admits upon information and belief that Mr. Heller formerly served as Chief Enrollment Manager Officer of Hussian College during the time that Mr. Kelley was employed at Hussian College. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto.

18. The allegations of paragraph 18 of the Complaint are denied.

19. Answering the allegations of paragraph 19 of the Complaint, Mr. Kelley admits that he was hired by Hussian to be Chief Information Officer.

20. Answering the allegations of paragraph 20 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

21. Answering the allegations of paragraph 21 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

22. Answering the allegations of paragraph 22 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

23. Answering the allegations of paragraph 23 of the Complaint, Mr. Kelley admits, upon information and belief, that defendant Summit Capital Funding, LLC (“Summit”) is a limited liability company. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto.

**COUNT I**  
**(CIVIL RICO CLAIM)**

24. The allegations of paragraph 24 of the Complaint are denied.

25. The allegations of paragraph 25 of the Complaint are denied.

26. The allegations of paragraph 26 of the Complaint are denied.

27. The allegations of paragraph 27 of the Complaint are denied.

28. The allegations of paragraph 28 of the Complaint are denied.

29. Answering the allegations of paragraph 29 of the Complaint, Mr. Kelley states that this paragraph sets forth conclusions of law and not allegations of fact and, therefore, no answer is required. To the extent an answer may be required, the allegations of this paragraph are denied.

30. The allegations of paragraph 30 of the Complaint are denied.

**A. FACTS UNDERLYING THE RICO CLAIM**

31. Answering the allegations of paragraph 31 of the Complaint, Mr. Kelley admits, upon information and belief, that Hussian College was an accredited institution of postsecondary education and that Staropoli previously served as Chief Executive Officer. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto.

32. Answering the allegations of paragraph 32 of the Complaint, Mr. Kelley admits that Hussian hired certain corporate officers.

33. Answering the allegations of paragraph 33 of the Complaint, Mr. Kelley admits that he knew defendant Mr. Staropoli prior to his employment at Hussian College. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

34. The allegations of paragraph 34 of the Complaint are denied.

35. Answering the allegations of paragraph 35 of the Complaint, Mr. Kelley states that he had a prior personal and professional relationship with Staropoli. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

36. Answering the allegations of paragraph 36 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

37. Answering the allegations of paragraph 37 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

38. Answering the allegations of paragraph 38 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

39. Answering the allegations of paragraph 39 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

40. Answering the allegations of paragraph 40 of the Complaint, Mr. Kelley refers to the report referenced therein for the contents thereof. Except as expressly answered herein, the allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

**B. THE CONSPIRACY**

41. The allegations of paragraph 41 of the Complaint are denied.

42. Answering the allegations of paragraph 42 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

43. Answering the allegations of paragraph 43 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

44. Answering the allegations of paragraph 44 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

45. The allegations of paragraph 45 of the Complaint are denied.

46. The allegations of paragraph 46 of the Complaint are denied.

47. The allegations of paragraph 47 of the Complaint are denied.

48. The allegations of paragraph 48 of the Complaint are denied.

49. The allegations of paragraph 49 of the Complaint are denied.

50. The allegations of paragraph 50 of the Complaint are denied.

51. Answering the allegations of paragraph 51 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

52. Answering the allegations of paragraph 52 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

53. Answering the allegations of paragraph 53 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

54. Answering the allegations of paragraph 54 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

55. Answering the allegations of paragraph 55 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

56. The allegations of paragraph 56 of the Complaint are denied.

57. The allegations of paragraph 57 of the Complaint are denied.

**COUNT II**  
**(FRAUD)**

**A. History of Hussian and The Individual RICO Conspirators Employment**

58. Answering the allegations of paragraph 58 of the Complaint, Mr. Kelley repeats and incorporates by reference his answers to each and every allegation contained in paragraphs 1 through 57 of the Complaint as if the same were set forth at length herein.

59. Answering the allegations of paragraph 59 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

60. Answering the allegations of paragraph 60 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

61. Answering the allegations of paragraph 61 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

62. Answering the allegations of paragraph 62 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

63. Answering the allegations of paragraph 63 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

64. Answering the allegations of paragraph 64 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

65. Answering the allegations of paragraph 65 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

66. Answering the allegations of paragraph 66 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

67. Answering the allegations of paragraph 67 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

68. Answering the allegations of paragraph 68 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

69. Answering the allegations of paragraph 69 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

70. Answering the allegations of paragraph 70 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

71. Answering the allegations of paragraph 71 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

72. Answering the allegations of paragraph 72 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

73. Answering the allegations of paragraph 73 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

74. Answering the allegations of paragraph 74 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

**B. Staropoli Assembles The Individual RICO Conspirators**

75. Answering the allegations of paragraph 75 of the Complaint, Mr. Kelley refers to Exhibit “A” and Exhibit “B” referenced therein for the contents thereof and denies any characterization thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

76. Answering the allegations of paragraph 76 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

77. Answering the allegations of paragraph 77 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

78. Answering the allegations of paragraph 78 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

79. Answering the allegations of paragraph 79 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

80. Answering the allegations of paragraph 80 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

81. Answering the allegations of paragraph 81 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

82. Answering the allegations of paragraph 82 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

83. Answering the allegations of paragraph 83 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

84. Answering the allegations of paragraph 84 of the Complaint, Mr. Kelley refers to the payroll records referenced therein for the contents thereof. Except as expressly answered herein, the allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

85. Answering the allegations of paragraph 85 of the Complaint, Mr. Kelley refers to the payroll records and termination letter referenced therein for the contents thereof. Except as expressly answered herein, the allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

86. Answering the allegations of paragraph 86 of the Complaint, Mr. Kelley refers to the LinkedIn page referenced therein for the contents thereof. Except as expressly referenced herein, the allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

87. Answering the allegations of paragraph 87 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

88. Answering the allegations of paragraph 88 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

89. Answering the allegations of paragraph 89 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

90. Answering the allegations of paragraph 90 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

91. Mr. Kelley admits the allegations of paragraph 91 of the Complaint.

92. Answering the allegations of paragraph 92 of the Complaint, Mr. Kelley states that he had prior personal and professional relationships with Staropoli and a prior professional

relationship with Scott. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

**C. Creation of Fraud Email Addresses and Initial Stages of Defendants Fraudulent Scheme**

93. Answering the allegations of paragraph 93 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

94. Answering the allegations of paragraph 94 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

95. Answering the allegations of paragraph 95 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

96. The allegations of paragraph 96 of the Complaint are denied.

97. Answering the allegations of paragraph 97 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

98. Answering the allegations of paragraph 98 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

99. The allegations of paragraph 99 of the Complaint are denied.

100. Answering the allegations of paragraph 100 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

101. The allegations of paragraph 101 of the Complaint are denied.

102. Answering the allegations of paragraph 102 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

103. Answering the allegations of paragraph 103 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

104. Answering the allegations of paragraph 104 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

105. Answering the allegations of paragraph 105 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

106. Answering the allegations of paragraph 106 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

107. Answering the allegations of paragraph 107 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

108. Answering the allegations of paragraph 108 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

109. Answering the allegations of paragraph 109 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

110. Answering the allegations of paragraph 110 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

111. The allegations of paragraph 111 of the Complaint are denied.

112. Answering the allegations of paragraph 112 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

113. Answering the allegations of paragraph 113 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

114. Answering the allegations of paragraph 114 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

115. The allegations of paragraph 115 of the Complaint are denied.

116. The allegations of paragraph 116 of the Complaint are denied.

117. Answering the allegations of paragraph 117 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

118. Answering the allegations of paragraph 118 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

#### **D. The Fraudulent MCAs**

119. Answering the allegations of paragraph 119 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

120. Answering the allegations of paragraph 120 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

121. Answering the allegations of paragraph 121 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

122. Answering the allegations of paragraph 122 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

123. Answering the allegations of paragraph 123 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

124. Answering the allegations of paragraph 124 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

125. Answering the allegations of paragraph 125 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

126. Answering the allegations of paragraph 126 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

127. Answering the allegations of paragraph 127 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

128. Answering the allegations of paragraph 128 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

129. Answering the allegations of paragraph 129 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

130. Answering the allegations of paragraph 130 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

131. Answering the allegations of paragraph 131 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

132. The allegations of paragraph 132 of the Complaint are not directed at Mr. Kelley and, therefore, no response is required. To the extent a response is required, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

133. Answering the allegations of paragraph 133 of the Complaint, Mr. Kelley refers to the email referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

134. Answering the allegations of paragraph 134 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

135. Answering the allegations of paragraph 135 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

136. Answering the allegations of paragraph 136 of the Complaint, Mr. Kelley refers to the documentation referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

137. Answering the allegations of paragraph 137 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

138. Answering the allegations of paragraph 138 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

139. Answering the allegations of paragraph 139 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

140. Answering the allegations of paragraph 140 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

141. Answering the allegations of paragraph 141 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

142. Answering the allegations of paragraph 142 of the Complaint, Mr. Kelley refers to the MCAs referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

143. Answering the allegations of paragraph 143 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

144. Answering the allegations of paragraph 144 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

145. Answering the allegations of paragraph 145 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

146. Answering the allegations of paragraph 146 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

#### **D. Plaintiffs' Discovery of Fraud**

147. Answering the allegations of paragraph 147 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

148. Answering the allegations of paragraph 148 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

149. Answering the allegations of paragraph 149 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

150. Answering the allegations of paragraph 150 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

151. Answering the allegations of paragraph 151 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

152. Answering the allegations of paragraph 152 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

153. Answering the allegations of paragraph 153 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

154. Answering the allegations of paragraph 154 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

155. Answering the allegations of paragraph 155 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

156. Answering the allegations of paragraph 156 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

157. Answering the allegations of paragraph 157 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

158. Answering the allegations of paragraph 158 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

159. Answering the allegations of paragraph 159 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

160. Answering the allegations of paragraph 160 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

161. Answering the allegations of paragraph 161 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

162. Answering the allegations of paragraph 162 of the Complaint, Mr. Kelley refers to the four MCAs and documents referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

163. Answering the allegations of paragraph 163 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

164. Answering the allegations of paragraph 164 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

165. Answering the allegations of paragraph 165 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

166. Answering the allegations of paragraph 166 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

167. Answering the allegations of paragraph 167 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley

168. Answering the allegations of paragraph 168 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

169. Answering the allegations of paragraph 169 of the Complaint, Mr. Kelley refers to the financials referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

170. Answering the allegations of paragraph 170 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

171. Answering the allegations of paragraph 171 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

172. Answering the allegations of paragraph 172 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

173. Answering the allegations of paragraph 173 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

174. Answering the allegations of paragraph 174 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

175. Answering the allegations of paragraph 175 of the Complaint, Mr. Kelley refers to the “MCA agreements” and “MCA documents” referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

176. Answering the allegations of paragraph 176 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

177. Answering the allegations of paragraph 177 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

178. Answering the allegations of paragraph 178 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

179. Answering the allegations of paragraph 179 of the Complaint, Mr. Kelley states that he was contacted by Shadi Figuli and Jeremiah Figuli and asked to perform tasks related to an investigation into certain email addresses, which he did. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

180. Answering the allegations of paragraph 180 of the Complaint, Mr. Kelley states that he accurately and truthfully provided all information requested by the Figulis. As he does not currently have access to the information referenced in this paragraph, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of paragraph 180 are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

181. Answering the allegations of paragraph 181 of the Complaint, Mr. Kelley states that he accurately and truthfully provided all information requested by the Figulis. As he does not currently have access to the information referenced in this paragraph, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of paragraph 181 are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

182. Answering the allegations of paragraph 182 of the Complaint, Mr. Kelley admits that he requested the assistance of certain IT staff in searching for information requested by the Figulis. Except as expressly answered herein, Mr. Kelley denies knowledge or information

sufficient to form a belief as to the truth of the allegations contained in this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of paragraph 182 are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

183. Answering the allegations of paragraph 183 of the Complaint, Mr. Kelley refers to the chat referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

184. The allegations of paragraph 184 of the Complaint are denied.

185. The allegations of paragraph 185 of the Complaint are denied.

186. Answering the allegations of paragraph 186 of the Complaint, Mr. Kelley states that he fully cooperated with plaintiffs' requests for information and in furtherance of their investigation. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

187. The allegations of paragraph 187 of the Complaint are denied.

188. The allegations of paragraph 188 of the Complaint are denied.

189. The allegations of paragraph 189 of the Complaint are denied.

190. The allegations of paragraph 190 of the Complaint are denied.

191. The allegations of paragraph 191 of the Complaint are denied.

192. The allegations of paragraph 192 of the Complaint are denied.

193. The allegations of paragraph 193 of the Complaint are denied.

**E. The Board of Directors Learn of the Fraud and Actions Taken by the Board**

194. Answering the allegations of paragraph 194 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

195. Answering the allegations of paragraph 195 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

196. Answering the allegations of paragraph 196 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

197. Answering the allegations of paragraph 197 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

198. Answering the allegations of paragraph 198 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

199. Answering the allegations of paragraph 199 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

200. Answering the allegations of paragraph 200 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

201. Answering the allegations of paragraph 201 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

202. The allegations of paragraph 202 of the Complaint are denied.

203. Answering the allegations of paragraph 203 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

204. Answering the allegations of paragraph 204 of the Complaint, Mr. Kelley refers to the note referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

205. Answering the allegations of paragraph 205 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

#### **F. Defendants Embezzlement of Funds via Unauthorized Bonuses**

##### **A. Staropoli**

206. Answering the allegations of paragraph 206 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

207. Answering the allegations of paragraph 207 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

208. Answering the allegations of paragraph 208 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

209. Answering the allegations of paragraph 209 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

210. The allegations of paragraph 210 of the Complaint are denied.

211. The allegations of paragraph 211 of the Complaint are denied.

212. The allegations of paragraph 212 of the Complaint are denied.

213. Answering the allegations of paragraph 213 of the Complaint, Mr. Kelley refers to the employment agreements referenced therein for the contents thereof and denies any characterization of same. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

214. Answering the allegations of paragraph 214 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

215. Answering the allegations of paragraph 215 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

216. Answering the allegations of paragraph 216 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

217. Answering the allegations of paragraph 217 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

218. Answering the allegations of paragraph 218 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

219. Answering the allegations of paragraph 219 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

**B. Scott**

220. Answering the allegations of paragraph 220 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

221. Answering the allegations of paragraph 221 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

222. Answering the allegations of paragraph 222 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

223. Answering the allegations of paragraph 223 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

224. Answering the allegations of paragraph 224 of the Complaint, Mr. Kelley denies that he was specifically aware of the existence of a romantic relationship between Mr. Staropoli and Ms. Scott, and denies personally observing any indication of the existence of any such

relationship while at Hussian or otherwise. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

225. Answering the allegations of paragraph 225 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

226. Answering the allegations of paragraph 226 of the Complaint, Mr. Kelley refers to the email referenced therein for the contents thereof. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

227. Answering the allegations of paragraph 227 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

228. Answering the allegations of paragraph 228 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

229. Answering the allegations of paragraph 229 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

**C. Heller**

230. Answering the allegations of paragraph 230 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

231. Answering the allegations of paragraph 231 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

232. Answering the allegations of paragraph 232 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

233. Answering the allegations of paragraph 233 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

234. Answering the allegations of paragraph 234 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

235. Answering the allegations of paragraph 235 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

236. Answering the allegations of paragraph 236 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

**D. Wojslaw**

237. Answering the allegations of paragraph 237 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

238. Answering the allegations of paragraph 238 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

239. Answering the allegations of paragraph 239 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

240. Answering the allegations of paragraph 240 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained

therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

241. Answering the allegations of paragraph 241 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

242. Answering the allegations of paragraph 242 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

243. Answering the allegations of paragraph 243 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

#### **E. Credit Card Embezzlement**

244. Answering the allegations of paragraph 244 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

245. Answering the allegations of paragraph 245 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

246. Answering the allegations of paragraph 246 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

247. Answering the allegations of paragraph 247 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

248. Answering the allegations of paragraph 248 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

**G. Additional Fraud By Defendants Against Plaintiffs**

249. The allegations of paragraph 249 of the Complaint are denied.

250. The allegations of paragraph 250 of the Complaint are denied.

251. The allegations of paragraph 251 of the Complaint are denied.

252. The allegations of paragraph 252 of the Complaint are denied.

253. The allegations of paragraph 253 of the Complaint are denied.

254. The allegations of paragraph 254 of the Complaint are denied.

**G. Student Aid and Covid Relief Fraud**

255. Answering the allegations of paragraph 255 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

256. Answering the allegations of paragraph 256 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

257. Answering the allegations of paragraph 257 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

258. Answering the allegations of paragraph 258 of the Complaint, Mr. Kelley refers to the ledger referenced therein for the contents thereof. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

259. Answering the allegations of paragraph 259 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

260. Answering the allegations of paragraph 260 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

261. Answering the allegations of paragraph 261 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

262. Answering the allegations of paragraph 262 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

263. Answering the allegations of paragraph 263 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

264. Answering the allegations of paragraph 264 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

265. Answering the allegations of paragraph 265 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

266. The allegations of paragraph 266 of the Complaint are denied.

267. The allegations of paragraph 267 of the Complaint are denied.

268. Answering the allegations of paragraph 268 of the Complaint, Mr. Kelley refers to the communications referenced therein for the contents thereof. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto.

The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

269. Answering the allegations of paragraph 269 of the Complaint, Mr. Kelley refers to the emails referenced therein for the contents thereof. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

270. Answering the allegations of paragraph 270 of the Complaint, Mr. Kelley refers to the emails referenced therein for the contents thereof. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

271. Answering the allegations of paragraph 271 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

272. Answering the allegations of paragraph 272 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

273. Answering the allegations of paragraph 273 of the Complaint, Mr. Kelley refers to the emails referenced therein for the contents thereof. Except as expressly answered herein, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

274. Answering the allegations of paragraph 274 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

275. Answering the allegations of paragraph 275 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

276. Answering the allegations of paragraph 276 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

277. Answering the allegations of paragraph 277 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

278. Answering the allegations of paragraph 278 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

279. Answering the allegations of paragraph 279 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

280. Answering the allegations of paragraph 280 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

#### **H. Termination of Defendants**

281. Answering the allegations of paragraph 281 of the Complaint, Mr. Kelley denies knowledge or information sufficient to form a belief as to the truth of the allegations contained therein and leaves plaintiffs to their proofs with respect thereto.

282. Answering the allegations of paragraph 282 of the Complaint, Mr. Kelley admits that his employment with Hussian was terminated on or about May 16, 2023. Except as expressly answered herein, the allegations of this paragraph are denied.

#### **Claims**

#### **Racketeering Influenced and Corrupt Organizations Act (“RICO”)**

283. Answering the allegations of paragraph 283 of the Complaint, Mr. Kelley repeats and incorporates by reference his answers to each and every allegation contained in paragraphs 1 through 282 of the Complaint as if the same were set forth at length herein.

284. Answering the allegations of paragraph 284 of the Complaint, Mr. Kelley states that this paragraph sets forth conclusions of law and not allegations of fact and, therefore, no answer is required. The allegations of this paragraph are denied insofar as they allege or imply any wrongdoing on behalf of Mr. Kelley.

285. The allegations of paragraph 285 of the Complaint are denied.

286. The allegations of paragraph 286 of the Complaint are denied.

287. The allegations of paragraph 287 of the Complaint are denied.

288. The allegations of paragraph 288 of the Complaint are denied.

## **II. Breach of Fiduciary Duty**

289. Answering the allegations of paragraph 289 of the Complaint, Mr. Kelley repeats and incorporates by reference his answers to each and every allegation contained in paragraphs 1 through 288 of the Complaint as if the same were set forth at length herein.

290. The allegations of paragraph 290 of the Complaint are denied.

291. The allegations of paragraph 291 of the Complaint are denied.

## **III. Disgorgement**

292. Answering the allegations of paragraph 292 of the Complaint, Mr. Kelley repeats and incorporates by reference his answers to each and every allegation contained in paragraphs 1 through 291 of the Complaint as if the same were set forth at length herein.

293. The allegations of paragraph 293 of the Complaint are denied.

294. The allegations of paragraph 294 of the Complaint are denied.

295. The allegations of paragraph 295 of the Complaint are denied.

296. The allegations of paragraph 296 of the Complaint are denied.

297. The allegations of paragraph 297 of the Complaint are denied.

298. The allegations of paragraph 298 of the Complaint are denied.

#### **IV. Conversion**

299. Answering the allegations of paragraph 299 of the Complaint, Mr. Kelley repeats and incorporates by reference his answers to each and every allegation contained in paragraphs 1 through 298 of the Complaint as if the same were set forth at length herein.

300. The allegations of paragraph 300 of the Complaint are denied.

301. The allegations of paragraph 301 of the Complaint are denied.

302. The allegations of paragraph 302 of the Complaint are denied.

#### **VI. Fraud**

303. Answering the allegations of paragraph 303 of the Complaint, Mr. Kelley repeats and incorporates by reference his answers to each and every allegation contained in paragraphs 1 through 302 of the Complaint as if the same were set forth at length herein.

304. The allegations of paragraph 304 of the Complaint are denied.

#### **VII. Conspiracy to Commit Fraud and Conversion**

305. Answering the allegations of paragraph 305 of the Complaint, Mr. Kelley repeats and incorporates by reference his answers to each and every allegation contained in paragraphs 1 through 304 of the Complaint as if the same were set forth at length herein.

306. The allegations of paragraph 306 of the Complaint are denied.

**WHEREFORE**, Mr. Kelley demands judgment dismissing plaintiffs' Complaint with prejudice, together with attorneys' fees, costs and such other relief as this Court deems just and proper.

**AFFIRMATIVE DEFENSES**

**FIRST AFFIRMATIVE DEFENSE**

The Complaint fails to state a claim upon which relief can be granted against Mr. Kelley.

**SECOND AFFIRMATIVE DEFENSE**

The Complaint and causes of action alleged therein are barred by the applicable statute of limitations.

**THIRD AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred in whole or in part by the parol evidence rule.

**FOURTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred in whole or in part by the statute of frauds.

**FIFTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred in whole or in part by the doctrine of unjust enrichment.

**SIXTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred, in whole or in part, by reason of release, waiver, estoppel, unclean hands, and/or laches.

**SEVENTH AFFIRMATIVE DEFENSE**

To the extent Plaintiffs suffered any of the alleged damages, the existence of which are expressly denied, said damages were caused solely by Plaintiffs' own acts and/or omissions.

**EIGHTH AFFIRMATIVE DEFENSE**

To the extent Plaintiffs suffered any of the alleged damages, the existence of which are expressly denied, said damages were caused in whole or in part by individuals and/or entities over whom Mr. Kelley had no control, right of control or responsibility.

**NINTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred and/or limited by Plaintiffs' failure to mitigate their alleged damages.

**TENTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred and/or limited by the terms of the written and oral agreements between the parties.

**ELEVENTH AFFIRMATIVE DEFENSE**

Plaintiffs lack standing to bring the claims asserted in the Complaint.

**TWELFTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred and/or limited by Plaintiffs' prior material breaches of the agreements between the parties.

**THIRTEENTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred by the doctrine of impossibility of performance.

**FOURTEENTH AFFIRMATIVE DEFENSE**

Plaintiffs' claims are barred, in whole or in part, on the ground that Plaintiffs failed to mitigate its alleged damages.

**FIFTEENTH AFFIRMATIVE DEFENSE**

Mr. Kelley is not a culpable person under the Civil RICO statute.

**SIXTEENTH AFFIRMATIVE DEFENSE**

Mr. Kelley's alleged conduct does not constitute a pattern of racketeering activity, nor does the Complaint sufficient allege or establish racketeering activity on behalf of Mr. Kelley.

**SEVENTEENTH AFFIRMATIVE DEFENSE**

The Complaint does not sufficiently allege or establish the existence of a RICO enterprise.

**EIGHTEENTH DEFENSE**

To the extent the Complaint seeks to impose liability against Mr. Kelley for aiding and abetting a violation of the RICO statute, any such claim is not recognized as a matter of law.

**NINETEENTH AFFIRMATIVE DEFENSE**

Plaintiff has not sustained injury by reason of any alleged violation of 18 U.S.C. § 1962(c) by Mr. Kelley, nor does any such injury arise from the predicate acts alleged against Mr. Kelley, nor any act in furtherance of any alleged RICO conspiracy pursuant to 18 U.S.C. § 1962(d).

**RESERVATION OF DEFENSES**

Mr. Kelley incorporates by reference, as if set forth herein in their entirety, all applicable defenses set forth in the answers of all other defendants, except to the extent they seek to impose any liability on or allocation of fault to Mr. Kelley and, further, reserves the right to amend or supplement these defenses with any additional defenses that subsequently become available during discovery or at trial.

**PRAYER FOR RELIEF**

**WHEREFORE**, Mr. Kelley demands judgment dismissing plaintiffs' Complaint with prejudice, together with attorneys' fees, costs and such other relief as this Court deems just and proper.

**CROSSCLAIMS**

1. Mr. Kelley incorporates by reference the preceding paragraphs of this pleading as through the same were set forth at length herein.

2. While denying liability to plaintiffs for damages allegedly sustained, the answering defendant by way of crossclaim against all other parties now or hereafter named, assert that such parties are either solely liable to plaintiffs, jointly and/or severally liable to plaintiff, and/or liable over to the answering defendants for contribution and indemnity for any sums that may be awarded to plaintiff.

**WHEREFORE**, defendant Ronald Kelley, while denying any and all liability to plaintiffs, demands judgment in his favor and against all other defendants now or hereafter named, together with costs, interest, attorneys' fees and such other relief as this Court deems just and proper.

**JURY DEMAND**

Defendant Ronald Kelley demands a trial by jury on all issues so triable.

Dated: November 15, 2024

Respectfully submitted,

**BRESSLER, AMERY & ROSS, P.C.**

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